

## **EXHIBIT 1**

### **INTRODUCTION**

At all relevant times, Respondent Michael Ramos was the San Bernardino County District Attorney, Respondent Committee to Re Elect Mike Ramos San Bernardino County District Attorney -2010 was his controlled committee, and Respondent Marvin Reiter was the committee treasurer.

Also, at all relevant times, Respondent Michael Ramos was seeking re-election as the San Bernardino County District Attorney. He won the election on June 8, 2010.

The Political Reform Act (the “Act”)<sup>1</sup> requires candidates, their controlled committees, and their treasurers to file campaign statements disclosing, among other things, information about expenditures made by the committee.

For purposes of this Stipulation, Respondents’ violations of the Act are set forth as follows:

**COUNT 1:** Respondents Michael Ramos, Committee to Re Elect Mike Ramos San Bernardino County District Attorney -2010, and Marvin Reiter failed to disclose required vendor information for nine credit card expenditures of \$100 or more, totaling approximately \$8,619, on a semi-annual campaign statement for the reporting period of July 1 through December 31, 2009, in violation of Section 84211, subdivision (k).

### **SUMMARY OF THE LAW**

All statutory references and discussions of law pertain to the Act’s provisions as they existed at the time of the violation in question.

#### **Need for Liberal Construction and Vigorous Enforcement of the Political Reform Act**

When the Political Reform Act was enacted, the people of the state of California found and declared that previous laws regulating political practices suffered from inadequate enforcement by state and local authorities. (Section 81001, subd. (h).) To that end, Section 81003 requires that the Act be liberally construed to achieve its purposes.

One of the purposes of the Act is to ensure that receipts and expenditures in election campaigns are fully and truthfully disclosed so that voters are fully informed and improper

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<sup>1</sup> The Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

practices are inhibited. (Section 81002, subd. (a).) Another purpose of the Act is to provide adequate enforcement mechanisms so that the Act will be “vigorously enforced.” (Section 81002, subd. (f).)

### **Definition of Controlled Committee**

Section 82013, subdivision (a), defines a “committee” to include any person or combination of persons who receives contributions totaling \$1,000 or more in a calendar year. This type of committee is commonly referred to as a “recipient committee.” Under Section 82016, a recipient committee which is controlled directly or indirectly by a candidate, or which acts jointly with a candidate in connection with the making of expenditures, is a “controlled committee.” A candidate controls a committee if he or she, his or her agent, or any other committee he or she controls has a significant influence on the actions or decisions of the committee. (Section 82016, subd. (a).)

### **Duty to File Semi-Annual Campaign Statements**

At the core of the Act’s campaign reporting system is the requirement set forth in Section 84200, subdivision (a), that a recipient committee file semi-annual campaign statements each year no later than July 31 for the period ending June 30, and no later than January 31 for the period ending December 31.

### **Joint and Several Liability of Candidate and Treasurer**

Under Sections 81004, 84100, 84213, and Regulation 18427, it is the duty of a candidate and the treasurer of his or her controlled committee to ensure that the committee complies with the Act. A candidate and the treasurer of his or her controlled committee may be held jointly and severally liable, along with the committee, for violations committed by the committee. (See Sections 83116.5 and 91006.)

### **Duty to Itemize Expenditures of \$100 or More**

Section 82025 defines “expenditure” as a payment, forgiveness of a loan, payment of a loan by a third party, or an enforceable promise to make a payment, unless it is clear from the surrounding circumstances that it is not made for political purposes. “An expenditure is made on the date the payment is made or on the date consideration, if any, is received, whichever is earlier.” (Section 82025.)

Section 84211, subdivisions (b) and (i), require candidates and their controlled committees to disclose on each campaign statement: (1) the total amount of expenditures made during the period covered by the campaign statement; and (2) the total amount of expenditures made during the period covered by the campaign statement to persons who have received \$100 or more.

Pursuant to Section 84211, subdivision (k), for each person to whom an expenditure of \$100 or more has been made during the period covered by the campaign statement, the following

information must be disclosed on the campaign statement: (1) the recipient's full name; (2) the recipient's street address; (3) the amount of each expenditure; and (4) the description of the consideration for which each expenditure was made.

### **SUMMARY OF THE FACTS**

At all relevant times, Respondent Michael Ramos was the San Bernardino County District Attorney, Respondent Committee to Re Elect Mike Ramos San Bernardino County District Attorney -2010 was his controlled committee, and Respondent Marvin Reiter was the committee treasurer.

Also, at all relevant times, Respondent Michael Ramos was seeking re-election as the San Bernardino County District Attorney. He won the election on June 8, 2010.

#### **Count 1: Failure to Itemize Credit Card Expenditures of \$100 or More**

On or about January 29, 2010, Respondents filed a semi-annual campaign statement for the reporting period of July 1 through December 31, 2009. On page 18, the statement disclosed a payment in the amount of \$12,478.33 to Bankcard Center First California Bank. The description of the payment was reported as: "No Credit Card Payees Over \$100."

However, the following nine credit card payees each were paid more than \$100:

<b>Payee</b>	<b>Amount</b>
Embassy Suites Hotel	\$901.20
Institute for Advancement of Criminal Justice (IACJ)	\$300.00
U. S. Airways	\$795.40
JW Marriott Hotel	\$1,011.76
Oak Quarry Golf Club	\$135.00
Hyatt Regency Hotel	\$224.49
Tartan Restaurant of Redlands	\$149.08
Double Tree Hotel	\$4,102.01
Farm Artisan Foods	\$1,000.00
<b>Total:</b>	<b>\$8,618.94</b>

The foregoing payments comprise approximately 7.9% of the expenditures reported for the period in question.

By failing to itemize the expenditures described above, Respondents Michael Ramos, Committee to Re Elect Mike Ramos San Bernardino County District Attorney -2010, and Marvin Reiter committed one violation of Section 84211, subdivision (k).

### **CONCLUSION**

This matter consists of one count of violating the Act, which carries a maximum administrative penalty of \$5,000.

In determining the appropriate penalty for a particular violation of the Act, the Enforcement Division considers the typical treatment of a violation in the overall statutory scheme of the Act, with an emphasis on serving the purposes and intent of the Act. Additionally, the Enforcement Division considers the facts and circumstances of the violation in the context of the following factors set forth in Regulation 18361.5, subdivision (d)(1)-(6):

- (1) The seriousness of the violation;
- (2) The presence or absence of any intention to conceal, deceive or mislead;
- (3) Whether the violation was deliberate, negligent or inadvertent;
- (4) Whether the violator demonstrated good faith by consulting the Commission staff or any other government agency in a manner not constituting a complete defense under Government Code section 83114(b);
- (5) Whether the violation was isolated or part of a pattern and whether the violator has a prior record of violations of the Political Reform Act or similar laws; and
- (6) Whether the violator, upon learning of a reporting violation, voluntarily filed amendments to provide full disclosure.

The public harm inherent in campaign reporting violations is that the public is deprived of time-sensitive information regarding the sources and amounts of contributions and expenditures made in support of a candidate.

Administrative penalties for violations of the Act vary depending upon the specific facts of each case. In this case, the following aggravating and mitigating factors are present.

### **Factors in Aggravation**

Respondents reported the unitemized expenditures in question with the following incorrect description: "No Credit Card Payees Over \$100."

Respondents' failure to itemize the expenditures in question deprived the public of information that it was entitled to receive prior to the election that was held on June 8, 2010. Although Respondents ultimately filed an amendment to correct the situation, this was done in response to a communication from the Enforcement Division, and the amendment was not filed until after the election.

Respondent Michael Ramos had prior experience with the requirements of the Political Reform Act. In January 2010, he was fined \$200 by the Enforcement Division of the Fair Political Practices Commission for a violation involving his 2008 annual statement of economic interests.

### **Factors in Mitigation**

Respondents cooperated with the Enforcement Division by agreeing to an early settlement of this matter well in advance of the Probable Cause Conference that otherwise would have been held.

Respondents maintain that the violation was an unintentional mistake by the committee and there was no intention to avoid disclosure, as the small percentage of undisclosed subvendors bears to total expenditures. Also, the violation pertains solely to a failure to itemize—not any sort of misuse of funds.

### **Penalty**

The facts of this case, including the aggravating and mitigating factors discussed above, justify imposition of the agreed upon penalty of \$2,500.